

IRAQ RELIEF AND RECONSTRUCTION

The relief and reconstruction package for Iraq is generous, appropriate, and structured in a way to help the Iraqi people build a new foundation for democracy, and then assume responsibility for moving forward under their own leadership and resources. The United States is committed to helping Iraq recover from the conflict, but Iraq will not require sustained aid. Unlike Afghanistan, Iraq is a country rich with an educated populace, abundant and valuable natural resources like oil and natural gas, and a modern infrastructure system.

A total of \$3.6B available for direct and indirect relief and reconstruction for Iraq:

Iraqi Relief and Reconstruction Fund

\$2.4B

- ▶ **\$1.7B** for reconstruction of health, water/sanitation, education, electricity, transportation, telecom, agriculture, and governance
- ▶ **\$543M** for humanitarian assistance to refugees
- ▶ **\$200M** to replenish emergency food stocks

Other aid

\$1.2B

- ▶ **\$489.3M** to cover costs of repairing Iraq oil fields and assuring adequate distribution
- ▶ **\$50M** to respond to unforeseen refugee and migration events
- ▶ **\$150M** fund for the President to use to respond to “complex foreign crises,” including stabilization in Iraq
- ▶ **\$120M** for disaster assistance (\$80M) and child survival and health programs (\$40M) to reimburse accounts for resources pre-positioned to address humanitarian needs prior to the war
- ▶ **\$50M** in the Defense Emergency Response Fund for an unspecified amount for the distribution of humanitarian daily rations
- ▶ **\$40M** in “Economic Support Funds” to reimburse accounts for people, supplies, and commodities pre-positioned to render aid before the Operation Iraqi Freedom
- ▶ **\$80M** in “International Disaster Assistance” to reimburse accounts for people, supplies, and commodities pre-positioned to address humanitarian needs prior to the war
- ▶ **\$200M** for Department of State peacekeeping operations funding of coalition partners for a post-war Iraq
- ▶ **\$22M** to establish a new mission for the U.S. Agency for International Development in post-war Iraq, and for related support staff in Washington, D.C.
(Up to \$200M in funds available under International Assistance, Department of State, or Iraq Relief and Reconstruction categories may be transferred among those accounts).

The military campaign is designed to protect and maintain the infrastructure necessary to help Iraq after the conflict, thus reducing the need for additional reconstruction aid:

Q: How important do you think it is to the success that you're going to have in building a post-Saddam Iraq very quickly, that the campaign itself is brought to a quick conclusion?

WOLFOWITZ: Obviously the shorter the better, but it's also important to emphasize we've taken great care to avoid, for example, destroying those targets that we hit in the last war because they are of dual use. They have a military function but they're critical to civilian infrastructure. I think one of the greatest achievements already so far has been that those vital oil resources that are the property of the Iraqi people, and critical for their post-Saddam reconstruction and rehabilitation, have been largely preserved in spite of what was clearly a plan by the regime to destroy those oilfields. *Deputy Defense Secretary Paul Wolfowitz, Interview with BBC World News Service, (March 23, 2003):*

Iraq is a country rich with an educated populace, abundant and valuable natural resources like oil and natural gas, and a modern infrastructure system. The United States is committed to helping Iraq recover from the conflict, but Iraq will not require sustained aid.

IRAQ & AFGHANISTAN		
-- Illustrative Indicator Comparison --		
Indicator	Iraq (2003)	Afghanistan (2001)
Population of which: Urban Population	24 million (est.) 68%	26 million (est.) 22%
ECONOMIC		
GDP (Purchasing Power Parity or PPP)	\$59 billion (est.)	\$21billion (est.)
GDP per capita (PPP)	\$2,500 (est.)	\$800 (est.)
GDP (market rate)	\$26 billion (est.)	\$3-4 billion (est.)
GDP per capita (market rate)	\$1,100 (est.)	\$150 (est.)
Proven Oil Reserves	112 billion barrels	95 million barrels (est.)
Proven Natural Gas Reserves	110 trillion cubic feet	5 trillion cubic feet (est.)
Electrical Capacity	5,500 MW	300-400 MW
TRANSPORTATION/COMMUNICATION		
Kilometers of Road:	45,550	21,000
<i>Paved</i>	<i>38,400</i>	<i>2,793</i>
<i>Unpaved</i>	<i>7,150</i>	<i>18,207</i>
Telephones per 1,000 people	29	1
Radios per 1,000 people	222	114
Televisions per 1,000 people	83	14
SOCIO-ECONOMIC		
Life Expectancy (Men)	68 years	44 years
Life Expectancy (Women)	66 years	45 years
Adult Illiteracy Rate (Men)	31%	48%
Adult Illiteracy Rate (Women)	58%	78%
Primary School Enrollment (Boys)	88%	39%
Primary School Enrollment (Girls)	79%	3%
Access to Clean Water	85%	13%
Access to Sanitation	93%	25%

► **Iraq's economic conditions peaked before Saddam Hussein assumed power in 1979:**

In 1960, Iraq's real GDP measured in 1980 prices was \$8.7 billion. In 1979 GDP peaked at \$54 billion. And by 1993 Iraq's GDP has declined to \$10 billion, the equivalent of what it was in 1961. Put another way, these figures inform us that more than three decades of real GDP growth have been erased. (*The Economy of Iraq: Oil, Wars, Destruction of Development and Prospects, 1950-2010*, by Abbas Alnasrawi; Greenwood Press, 1994, found at www.questia.com).

Prior to the outbreak of the war with Iran in September 1980, Iraq's economic prospects were bright. Oil production had reached a level of 3.5 million barrels per day, and oil revenues were \$21 billion in 1979 and \$27 billion in 1980. At the outbreak of the war, Iraq had amassed an estimated \$35 billion in foreign exchange reserves. (*U.S. Department of State*)

► **Conditions improved following the 1991 Persian Gulf War:**

Since 1996, the U.N.'s oil for food program has helped improve the lives of average Iraqis. Just before the current war, oil exports were at least 75% of the level reached before the 1991 Persian Gulf War. (*CIA World Factbook*)

Most of the telecommunications facilities damaged in the 1991 Persian Gulf War had been repaired before the current conflict. (*CIA World Factbook*)

International Trade Will Also Boost Iraq's Economy and Wealth:

After Operation Iraqi Freedom, the Iraq Sanctions Act of 1990 would be repealed, ending the trade embargo against Iraq. Export restrictions that the President determines to be in the interest of the United States would be lifted.